POLICY UPDATE

WorkSource System Policy 1015

Procurement and Selection of One-Stop Operators and Service Providers

June 2026 Workgroup Update

Presented by:
Liz Gallagher, Workforce Policy Associate to the State Workforce Board

What is Procurement? — Local Boards & WIOA

Competitive Procurement (Default)

Open competition is the default: advertise, score, and award to the most qualified provider.

Direct Service Provider Status

With State Workforce Board approval, a local board may deliver Adult, Dislocated Worker, or Youth services itself.

One-Stop Operator (OSO) Rules

Always competitively procured — full, open competition at least every four years.

WHY THIS POLICY MATTERS

No formal Direct Service Provider process exists today. Northwest and SkillSource operate this under an informal renewal process — Policy 1015 codifies that process and makes it consistently available to all 12 boards.

Key Policy Updates — May 28 Workgroup Outcomes

CONFIRMED POLICY DIRECTIONS
Performance-based Direct Service Provider renewals
No additional monitoring layer
Broader federal grant coverage
Direct Service Provider approval without a prior RFP
State Workforce Board is the approval authority

Items Still Under Development — Before Final Draft

HIGHEST PRIORITY EDITS	CLARIFYING EDITS
One-Stop Operator failed-procurement language	Technical assistance language
Additional federal grant streams	Fiscal agent clarification
Training services definitions	Renewal review detail
Business services applicability	Youth elements explanation
Adult vs. Dislocated Worker separation	Editorial cleanup: comments, citations, formatting

Next Steps

1

May 28, 2026

COMPLETE

Workgroup Meeting — Near-Final Draft Review

Reviewed near-final draft and Direct Service Provider application; key compromises reached.

2

June 26, 2026

TODAY

State Workforce Board Briefing — Potential Discussion

Progress update to the State Board — no action requested today.

3

July 7, 2026

UPCOMING

FINAL Workgroup Meeting — Resolution of Open Items

Final workgroup resolves all open items; complete draft expected.

4

August 2026

PLANNED

State Workforce Board — Final Review and Vote on Policy 1015

State Board reviews the final draft and votes.

Goal: Balance

- Best choice for our communities
- State workforce board oversight
- Performance & fiscal safeguards

- Broader access for local boards
- Streamlined federal-grant procurement
- Less administrative burden

2026 Local Board Certification Review

Results & Certification Actions

Presented by: Liz Gallagher, Washington Workforce Training & Education Coordinating Board

WASHINGTON Workforce Training & Education Coordinating Board

ACTION

Review Elements

WORKFORCE BOARD STAFF REVIEW

A - Employer Engagement

B - Education & Career Pathway Development

C - Stakeholder Coordination

D - Partnership & Resource Leveraging

E - Labor Market Analysis & Workforce Research

F - Technology & System Improvements

G - Federal Performance Outcomes (WIOA Sec. 116)

ESD STAFF REVIEW & BOARD ACTION

H - Board Composition Outcomes

I - Fiscal & Program Oversight
One-Stop Certification · Service Provider Selection

J - EEO Compliance Audit Results

BOARD ACTION

K - Certification Recommendations & Official Votes for All 12 Local Workforce Development Boards

About the 2026 LWDB Certification Review

Legal Basis	Policy Framework	Scope
Governor certifies one board per area; Workforce Board, as the Governors designee, conducts certification.	Policy 1040 (April 2026) sets the process, aligned to WIOA's 13 board functions.	All 12 areas reviewed with the updated Board Certification Tool.

Certification

Most boards: consistent compliance with WIOA and local plan requirements.

Certification with Recs or Provisional Certification

A few boards: contingent on continued progress in identified areas.

SECTIONS A – G

Workforce Board Staff Review

- Local Plan Compliance & Strategic Leadership
- Performance Accountability
- Research & Technology

Employer Engagement

Sector-Based Models Universal

Every board targets industry sectors — healthcare, manufacturing, construction, agriculture.

Business Services Infrastructure

Dedicated Business Services teams; OJT, IWT, customized training, hiring events.

EDO & Chamber Integration

Boards co-lead regional economic development and chamber efforts.

Opportunity: Quantify Outcomes

Strategy is described, but outcomes are rarely counted — a next-cycle focus.

Notable: North Central WDC

Funded 34% of statewide OJTs and 43% of IWT in PY22–23 — highest in the state.

Certification Implication

All 12 meet the threshold; the next step is measurable performance.

Education & Career Pathway Development

STRENGTHS ACROSS BOARDS
Community college partnerships — Adult, Dislocated Worker, and Youth
I-BEST for Adult Basic Education and English-language learners
Youth: Job Corps, Career Connect WA, Open Doors, in- and out-of-school
Stackable credentials and WIOA co-enrollment in most plans
Spokane, Snohomish/FWA, and Pierce use innovative navigation tools

OPPORTUNITIES FOR IMPROVEMENT
Add credential-attainment and pathway-completion metrics
Separate Adult/Dislocated Worker from Youth pathway narratives
Rural access solutions often vague — Eastern WA, North Central, South Central
Include new partnerships in mid-cycle plan modifications
Require measurable pathway milestones next cycle

Stakeholder Coordination

12 / 12
Boards held formal public comment periods

30 days
Standard comment window (March–April 2024)

400+
Stakeholders surveyed (Spokane alone)

60+
Orgs in Pierce County Community Engagement Task Force

Universal Planning Process All boards met WIOA Sec. 108(d) engagement requirements — surveys, convenings, 30-day comment periods.

Multi-Sector Representation Business, labor, education, CBOs, economic development, and elected officials engaged.

Documentation Gap
No plans detail the content of their public comment, nor did they show how comments were used for additional edits, if any

Partnership & Resource Leveraging

EDO Co-Investment & CEDS Alignment

Coordination with regional EDCs, ports, and chambers; several co-lead CEDS goals.

Braided State & Non-Federal Funds

Leverage EcSA, Community Reinvestment, ARPA, WA Jobs, and Job Skills Program.

One-Stop Partner Cost-Sharing

Infrastructure Funding Agreements and MOUs for shared space, tech, and staff.

Notable: Spokane & Workforce Southwest WA

Spokane: $7.1M in new grants. WSW: $60M+ over 17 years, plus a 3-board cost-share.

COMMON OPPORTUNITY — QUANTIFY LEVERAGED RESOURCES

Few plans quantify non-federal dollars — next-cycle guidance could add a leveraged-resources table by source and year.

Labor Market Analysis & Workforce Research

Common Data Sources Used Across Local Plans:

WA ESD / LMEA	U.S. Census / ACS	Lightcast / EMSI	BLS / QCEW
JobsEQ / Chmura	OFM Projections	Local EDC Data	Employer Surveys

Coverage Depth In-demand sectors, demographics, ALICE data, and wages — per WIOA Sec. 108.

Rural Geography Multi-county analysis across Eastern WA, North Central, South Central, and Olympic.

Racial Equity Lens Seattle-King County analyzed employment by race using the Brookings Metro Monitor — a leading practice.

Universal Gap

Plans rarely link labor-market findings to training investments; add synthesis section

Technology & System Improvements

STATEWIDE MIS TRANSITION: ETO → WA Works (referenced by all 12 boards)

All 12 boards are moving from ETO to WA Works — the top system priority, tied directly to data quality.

Customer-Facing Technology	Digital Equity Investments	System & Referral Innovations
Virtual/hybrid services in all 12 areas	Wireless at all centers and affiliates	Pierce 2-1-1; South Central multi-agency database
Digital Navigator programs (AmeriCorps)	Mobile computer labs (South Central, Eastern WA)	Employer CRM tracking (Snohomish/FWA)
WorkSourceWA.com portal statewide	Assistive technology at all access points	Valley Mall WorkSource kiosk (South Central)
Workforce Compass skills matching (Snohomish/FWA)	Digital-equity surveys (Seattle-King County)	UniteUs wraparound referrals (Seattle-King County)
CareerExploreNW + SchooLinks (Eastern WA/Spokane)	BEAD grant pursuit (Spokane)	Annual one-stop evaluations (Benton-Franklin)

Federal Performance Outcomes — PY 2024

6 of 12
Boards Met All Performance Thresholds

6 of 12
Boards Received Formal Performance Notice

MSG & Youth
Dominant Pattern Across Failing Boards

Boards with PY 2024 Performance Concerns (formal notice issued per WIOA Sec. 116(c) and State Policy 5415-1):

· Olympic WDC · Pacific Mountain WDC · Future Workforce Alliance · Seattle-King County WDB · Workforce Southwest Washington · Benton-Franklin WDC

Common Failure Pattern
Failures center on Measurable Skill Gains (MSG), especially in Youth programs.

Data Entry a Likely Driver
Much of the MSG/Youth gap may trace to data issues during the WA Works transition.

Root-Cause Analysis
Firm conclusions are premature; boards asked to prioritize accurate, complete data now.

Technical Assistance Underway
Workforce Board and ESD are aligning TA structure; formal guidance to follow.

Looking Ahead: Informing the Next Local Plan Cycle

Require Outcome Data

Report quantified outcomes — employers served, credentials, OJT/IWT, MSG gains.

Connect LMI to Investments

Add a synthesis section linking labor-market data to training investments.

WaWorks Integration Planning

Describe how boards use WaWorks reporting to monitor performance.

Strengthen Performance Monitoring

Review data between cycles and adjust programming.

Leveraged Resources Table

Add a table of non-federal resources by source, amount, and year.

Certification / Plan Cycle Alignment

Integrate certification into plan development from the start.

SECTIONS H – J

ESD Staff Review

Board Composition · Fiscal & Program Oversight · EEO Compliance

Board Composition Outcomes

Business Majority Compliance

Mostly intact across all 12 boards

Long-Term Vacancies

Primary compliance focus this cycle

Corrective Action Recommendations

Fill open seats by June 30, 2027

Technical Assistance Needed

Statewide training – Business Board Members:

- Characteristics
- Nomination process

Reoccurring check-ins on long-term Vacancies

Composition & Certification Link

Where gaps remain:

- Certification with Recommendations
- Provisional certification

EO Findings Summary: All 12 Local Workforce Boards in Compliance

Fiscal Integrity
No disallowed costs; PY24 items minor and resolved. Some PY25 reviews ongoing.

Budget Oversight
All 12 have a CLEO-approved budget and report spending regularly.

Nomination Process Compliance
Some boards lack proof business members were nominated by a business organization — TA required, provisional risk by June 2027.

One-Stop Certification
Broadly compliant on the three-year cycle; minor items mostly resolved.

Service Provider Selection
Compliant. Direct Service Provider alignment addressed in the August procurement update.

Federal Financial Reporting
9 of 12 accurate and on time; 3 exceptions isolated or corrected.

Certification Recommendations

FULL CERTIFICATION *Approved as Presented*	CERTIFICATION *With Nomination Documentation Recommendations*	PROVISIONAL CERTIFICATION *Contingent — see note below*
Pierce County Workforce Development Council	Olympic Workforce Development Council	Eastern Washington Partnership Workforce Development Council
Workforce Southwest Washington	Future Workforce Alliance	Seattle/King County Local Workforce Development Board
Northwest Workforce Council	Spokane Workforce Council	
South Central Workforce Development Council	Pacific Mountain Workforce Development Council	
Benton Franklin Workforce Development Council		
SkillSource		

Recommendation:

Certification approved with staff recommendations regarding board member nomination process and some board member classifications. (Any future required changes are contingent on official policy updates/clarifications.)

Contingent on:

Resolving long-term Board composition issues by the next certification cycle (June 2027).

Certification Recommendations & Board Action

Staff Recommended Motion: The Workforce Board approve certification action for all 12 Local Workforce Development Boards as presented, as follows:

- **Full certification** for Pierce County Workforce Development Council, Workforce Southwest Washington, SkillSource, South Central Workforce Development Council, Northwest Workforce Council, and Benton Franklin Workforce Development Council;
- **Certification with nomination documentation recommendations** for Olympic Workforce Development Council, Future Workforce Alliance, Spokane Workforce Council, and Pacific Mountain;
- **Provisional certification** for the Seattle/King County Local Workforce Development Board and Eastern Washington Partnership Workforce Development Council, contingent on resolution of long-term Local Board composition (vacancy) no later than June 30, 2027.

(Boards that fail to resolve these compliance issues by June 30th, 2027 risk continued provisional certification and eventually decertification in future certification cycles.)